

BEFORE THE ARIZONA CORPORATION COMMISSION ED

COMMISSIONERS

MIKE GLEASON

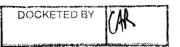
Arizona Corporation Commission DOCKETED

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MARC SPITZER, Chairman JIM IRVIN WILLIAM A. MUNDELL JEFF HATCH-MILLER

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IN THE MATTER OF ARIZONA-AMERICAN WATER COMPANY – AGUA FRIA DIVISION SEWER HOOK-UP FEE TARIFF REVISIONS.

IN THE MATTER OF ARIZONA-AMERICAN WATER COMPANY – AGUA FRIA DISTRICT – WATER FACILITIES HOOK-UP FEE TARIFF REVISIONS.

DOCKET NO. SW-01303A-02-0628

DOCKET NO. W-01303A-02-0629

PROCEDURAL ORDER

BY THE COMMISSION:

On August 16, 2002, Arizona-American Water Company, Agua Fria District ("Arizona-American" or "Company"), filed proposed tariff revisions with the Arizona Corporation Commission ("Commission"). The Company proposes to expand the applicability of its water (Docket No. W-01303A-02-0629) and wastewater (Docket No. W-01303A-02-0628) hook-up fee tariffs to the entirety of its Agua Fria District. Currently, the hook-up fee tariffs are applicable only to new service connections within the portion of the Company's Agua Fria Certificate of Convenience and Necessity ("CC&N") area known as "Whitestone."

In Decision No. 65201 (September 20, 2002), the Commission suspended the Company's tariff filing for 120 days. In Decision No. 65536 (January 24, 2003), the Commission granted an additional 90-day suspension, through and including April 12, 2003, to allow the Hearing Division to review this matter.

On April 9, 2003, the Commission issued Decision No. 65800 which granted the Utilities Division Staff's ("Staff") Motion to Dismiss and ordered Staff to review and make a recommendation regarding the water and wastewater hook-up fee tariffs proposed by Arizona-American in the Company's pending rate case (Docket No. WS-01303A-02-0870).

On June 25, 2003, the Commission conducted a special Open Meeting to discuss whether

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Decision No. 65800 should be reconsidered or amended pursuant to A.R.S. §40-252. Following a discussion of the issue, the Commission directed the Hearing Division develop a record on the hook-2 up fee tariff issue prior to making a further recommendation to the Commission. Based on the 3 Commission's directive, it is appropriate to require Staff to file a Staff Report on these issues and to 4 allow a response to the Staff Report by interested parties. The Hearing Division will then review the 5 filings and determine if a hearing is necessary. 6 IT IS THEREFORE ORDERED that Staff shall file a Staff Report on the hook-up fee tariff 7 issues raised by Arizona-American by no later than August 8, 2003. 8 IT IS FURTHER ORDERED that responses to the Staff Report shall be filed by August 22, 9 2003. 10 DATED this 3rd day of July, 2003. 11 12 Trodes 13 DWIGHT D. NODES 14 ASSISTANT CHIEF ADMINISTRATIVE LAW JUDGE 15 Copies of the foregoing mailed/delivered This day of July, 2003 to: 16 17 Norman D. James 18 FENNEMORE CRAIG 3003 North Central Avenue, Ste. 2600 19 Phoenix, AZ 85012-2913 20 Ray Jones Arizona-American Water Company 21 15626 North Del Webb Blvd. Sun City, AZ 85351 22 Scott Wakefield 23 **RUCO** 1110 W. Washington St., Suite 200 24 Phoenix, Arizona 85007 25 Christopher Kempley, Chief Counsel Legal Division 26 ARIZONA CORPORATION COMMISSION

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Phoenix, AZ 85007

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1200 West Washington Street

Ernest Johnson, Director Utilities Division ARIZONA CORPORATION COMMISSION 1200 West Washington Street Phoenix, AZ 85007

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By: Debbi Person

Secretary to Dwight D. Nodes

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